

Are you rewarding loyalty?

I have been thinking a lot about loyalty and whether companies value it or not.

Take for example, my customer relationship with ATT Wireless. I have been a customer for several years now (although not by choice rather by the acquisition of my old carrier Cingular). I called customer service the other day to see if they would credit several spam texts I received (I don't have unlimited text and pay 20 cents per message). The agent placed me on a ten minute hold "to check my account" and later informed that it was not company policy to do so, but she would credit 40 cents to my account. Now, mind you, I had a similar conversation with another agent last year, and there was no problem crediting my account. No need to review. No lengthy process. I asked the agent if she was really giving me a hard time over 40 cents when I had been a customer for so many years.

This interaction seems to prove that ATT is not particularly concerned with customer loyalty. They would rather talk "company policy" to me than think about rewarding my patronage, which over the years is in the several \$1000s.

I have been at my gym for several years. Has it ever given me anything to show appreciation for staying with it? NEW members get perks (free personal training or a t-shirt or whatever) but what do OLD members get? NOTHING. How does this reinforce customer loyalty?

Yet, everywhere you turn there are loyalty programs. From the local bakery, where 12 stamps will result in one free loaf of bread to the pharmacy where you swipe your card to get "reward dollars" after you've spent a certain amount. Some of these loyalty programs do reward a loyal customer with something tangible and some are meant as a database mining operation.

Guess which is which.

Large companies, especially financial institutions, seem to take customer loyalty for granted. Either that, or they simply don't care if customers are loyal. If you have been at your bank for more than five years, are you getting anything? A better interest rate? A free safety deposit box? I bet the answer is no, you aren't getting a single cent. Yet, some banks will reward new customers by giving them a cash bonus deposited to their new accounts.

Customer loyalty is an area that marketing communications can't fix by itself. It needs operations/institutional support. However, as a marketer, you need to be concerned about it. **You can attract all sorts of new business with good communications efforts, but can you retain it?** Are you doing something to reward "old" business?

If you aren't thinking about customer loyalty and what you are doing to maintain it and reward it, then you are probably losing customers at this very moment.